

## DOE Root Cause Corrective Action #3

# Risk Management Workshop NNSA Risk Management Lessons Learned

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In Project Management

# The Key Issues

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- DOE's current approach to risk management has not resulted in improved project performance.
- Risk management methodologies are not being fully or appropriately utilized.
- Projects normally consider only a small portion of the risks that are the source of our performance problems.
- Probabilities of occurrence and impact projections are seldom technically defensible.
- Situational changes generally do not trigger action.

## Risk Management Methodologies Should Be Used When:

- Determining the scope and depth of the pre-conceptual, conceptual, and preliminary designs efforts
- Setting project requirements
- Choosing between different project strategies
- Selecting between design concepts

## **Risk Management Methodologies Should Be Used When:**

- Making technology decisions
- Determining required FPD attributes
- Determining IPT and contractor staffing needs
- Deciding what constitutes an appropriate level of directives tailoring

## Risk Management Methodologies Should Be Used When:

- Deciding where to focus oversight efforts
- Formulating acquisition strategies
- Selecting the types of contracts to be utilized
- Determining contractual terms and conditions
- Developing cost estimates

## **Risk Management Methodologies Should Be Used When:**

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- Developing funding profiles
- Developing schedules
- Determining what is an appropriate level of defense-in-depth
- Developing and implementing corrective actions

# Typically Overlooked Critical Risks

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- Inadequate project team capability, alignment, and motivation
- Unrealistic, incomplete, or conflicting requirements
- Unrecognized constraints and interdependencies
- Complexity
- Inadequate situational awareness
- Inadequate/fantasize planning

# Available Risk Response Mechanisms

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## Underutilized

- Avoidance
- Research to reduce the level of uncertainty
- Monitoring/tracking
- Firebreaks

## Over Utilized

- Contingency and management reserve
- Acceptance

## **NNSA's Corrective Actions**

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- Development and issuance of a risk management BOP
- Enhanced coverage of risk management in our reviews
- Incorporation of risk and opportunity requirements and guidance in new or revised directives
- Improved federal and contractor training